

MULTI YEAR DRAFT BUDGETS FOR 2011/12 TO 2013/14 (5/1/1) **DR C KAPP/mm**

PURPOSE

To table the draft Capital and Revenue Budget for 2011/12 – 2013/14 in terms of sections 16(2) and 17(3) of the MFMA.

BACKGROUND

The budget committee was confronted with numerous challenges during the budget process. The following had an impact:

- The introduction of the new staff structure and the adjustment of the T-Gradings.
- The negative effect of the economic downturn.
- The impact of the drought on the water service.
- Funding constraints through external loans and the Capital Replacement Reserve.
- Eskom's directive that bulk purchases will increase by 26,7% and municipal electricity sales increase by 20,38%

During the current financial year Council started with a long term financial plan. The following strategy decisions were taken.

- (a) that the municipality starts focussing on its core functions to effect savings on the operating budget. For this purpose the Finance Committee in conjunction with the Heads of Departments, scrutinise every expenditure vote to determine whether savings can be affected;
- (b) that the income budget be revised to maximise income through effectiveness and not necessary rates and service charge increases. Targets in certain cases must be determined;
- (c) that a separate income enhancement exercise must be undertaken to determine whether all consumers are billed and are contributing to the municipality's income;
- (d) that sufficient provision for debtor's impairment be made in the 2011/2012 operating budget;
- (e) that at least a 10% provision to the capital replacement reserve be made in all future operating budgets;
- (f) that the policy relating to capital contributions be scrutinised and the municipality must not subsidise or act as a bank for developers;
- (g) that reporting to the Finance Committee be adjusted to focus on cash management to improve liquidity;

- (h) that Council accepts the fact that the 2011/2012 budget will only be a maintenance budget without new capital projects;
- (i) that subsidies from National and Provincial Government be maximised;
- (j) that the marketing strategy for available land be reconsidered.

The 2011/12 adjustment budget again proved that the ability of Council to reduce costs is limited by the fact that the fixed cost component of the operating budget by far exceeds the variable costs.

Salaries, depreciation, interest on external loans and bulk purchases of electricity absorbs 59,9% of the budget. Service delivery will be severely affected by reducing the variable costs.

The effect of the long-term financial plan will only realise in two to three years from now. In addition to the above the following measures will have to be introduced:-

- The staff establishment must be reviewed to reduce the cost of support services and non-income generating services.
- A productivity analysis must be undertaken to identify duplication of functions and utilization of staff.
- A social services and poverty-alleviation policy must be drafted to reduce costs.

The municipal manager must be instructed to reduce the abovementioned decisions by Council to KPI's for all Heads of Departments. The bulk of the points for performance should be awarded for the abovementioned KPI's.

In spite of the abovementioned challenges, the Budget Committee, with the exception of electricity sales, managed to restrict all tariff increases to 6%. Unfortunately, this strategy restricted the municipality's ability to contribute to the Capital Replacement Reserve. Funding from the reserve for 2011/12 will depend on land sales.

National Treasury sent out MFMA Circular No. 55 of 7 March 2011 providing guidance to municipalities on their 2011/12 budgets and Medium Term Revenue and Expenditure Framework (MTREF). Circular No. 55 reminds us of the National priorities – doing more with existing resources. It is essential reading the material in order to understand the background to this budget. The circular is included as annexure "A" to the agenda.

A. CAPITAL PROGRAMME 2011/12 TO 2013/2014

The draft Capital Programme for 2011/12 to 2013/14 is attached as annexure "B" to the agenda.

The table below is a summary of the Funding of the Capital Programme from 2004/5 to 2013/14 indicating the funding source:

Category	2004/5 R'000	2005/6 R'000	2006/7 R'000	2007/8 R'000	2008/9 R'000	2009/10 R'000	2010/11 R'000	2011/12 R'000	2012/13 R'000	2013/14 R'000	TOTAL R'000
Internal Funding	49,390	47,605	71,981	123,876	99,226	13,373	18,699	34,610	27,101	29,530	514,341
Externally Funding	37,117	38,362	51,762	48,769	66,189	129,548	49,442	53,770	49,768	54,450	579,177
Grant Funded	54,259	81,603	93,100	100,379	132,050	123,051	81,475	71,863	77,626	82,510	897,916
Other					2,490	14,500	900	4,000	20,750	7,300	49,940
Total	140,766	167,570	216,843	273,024	299,955	280,472	150,516	164,243	175,245	173,790	2,041,374

A1 PROJECT PRIORITISATION

Due to the impact of the growth in external funding on the operating budget it was decided to limit the capital projects linked to external loans to R40 million. The roll over capital projects from 2010/11 amounts to R10 million.

The draft capital budget reflects the following allocation for the various services and reflects the strategic priorities outlined in the IDP.

DESCRIPTION	2011/12	2012/13	2013/14
<u>CORPORATE SERVICES</u>			
GENERAL	200 000	208 000	2 408 000
LED	0	0	100 000
LIBRARIES	0	0	200 000
CIVIC CENTRE	50 000	600 000	290 000
THEMBALETHU COMMUNITY HALL	2 670 000	0	0
CONVILLE COMMUNITY HALL	0	20 000	0
TOUWSRANTEN COMMUNITY HALL	0	0	80 000
PACALTSDORP COMMUNITY HALL	0	120 000	50 000
KLEINKRANTZ COMMUNITY HALL	0	2 200 000	970 000
TOTAL: CORPORATE SERVICES	2 920 000	3 148 000	4 328 000

DESCRIPTION	2011/12	2012/13	2013/14
<u>COMMUNITY SAFETY SERVICES</u>			
FIRE BRIGADE	0	134 000	100 000
VEHICLE REGISTRATION	900 000	0	0
TRAFFIC SERVICES	80 000	0	110 000
LAW ENFORCEMENT	0	0	237 000
TOTAL: COMMUNITY SAFETY SERVICES	980 000	134 000	447 000
<u>PLANNING AND HOUSING</u>			
HOUSING : ADMIN	2 160 000	13 050 000	18 060 000
TOTAL: PLANNING & HOUSING	2 160 000	13 050 000	18 060 000
<u>ENVIRONMENTAL AFFAIRS</u>			
ENVIRONMENTAL ADMIN	0	10 000	10 000
CEMETRIES	0	170 000	0
PARKS AND RECREATION	0	180 000	250 000
CLEANSING AND ENVIRONMENTAL HEALTH	1 000 000	5 800 000	5 100 000
SPORT MAINTENANCE	3 600 000	228 000	840 000
TOTAL: ENVIRONMENTAL AFFAIRS	4 600 000	6 388 000	6 200 000
<u>CIVIL AND TECHNICAL SERVICES</u>			
GENERAL	0	240 000	240 000
STREETS AND STORMWATER	15 950 000	25 102 000	15 400 000
WATER - NETWORKS	28 370 000	40 870 600	22 820 000
WATER-PURIFICATION	17 500 000	2 350 000	14 950 000
SEWERAGE NETWORKS	18 931 240	17 902 500	21 650 000
SEWERAGE TREATMENT WORKS	17 232 000	33 650 000	32 150 000
TOTAL: CIVIL AND TECHNICAL SERVICES	97 983 240	120 115 100	107 210 000
<u>ELECTRO-TECHNICAL SERVICES</u>			
EXPANSION OF 66KV MAIN NETWORK	28 000 000	12 500 000	16 000 000
ENERGY MANAGEMENT	500 000	1 000 000	1 000 000
CONTROL PROTECTION AND COMMUNICATION	400 000	1 000 000	1 000 000
UPGRADING AND EXTENSION OF 11KV NETWORK	0	5 150 000	6 000 000
REPLACEMENT OF OBSOLETE 11KV SWITCHGEAR & EQUIPMENT	1 250 000	4 000 000	4 000 000
UPGRADING OF OBSOLETE LOW VOLTAGE NETWORK CABLES	0	3 000 000	3 000 000
AD-HOC DEVELOPMENTS	0	400 000	1 000 000
ELECTRIFICATION	23 650 000	4 150 000	5 150 000
EQUIPMENT	160 000	350 000	235 000
UPGRADING AND EXTENSION OF BUILDINGS	60 000	160 000	160 000
FLEET MANAGEMENT	1 300 000	500 000	0
TOTAL: ELECTRO-TECHNICAL SERVICES	55 320 000	32 210 000	37 545 000

DESCRIPTION	2011/12	2012/13	2013/14
<u>FINANCIAL SERVICES</u>			
GENERAL	280 000	200 000	0
TOTAL: FINANCIAL SERVICES	280 000	200 000	0
TOTAL BUDGET	164 243 240	175 245 100	173 790 000

A1 **INTERNAL FUNDING**

One of the main problems impacting on the capital budget was the expected contributions to the Capital Replacement Reserve (CRR) for the current year. At the mid-year assessment the capital contribution votes under collected and projected below the budgeted figures.

This situation also accentuated the fact that emphasis must be put on expanding the current income sources and exploring other income sources.

The total contributions to the Capitalisation Replacement Reserve (CRR) for the current financial year, 2010/2011 will only be determined at year end.

The situation regarding the internal funds (CRR) will have to be monitored closely and expenditure on capital projects linked to the CRR can only be incurred once it is established that the anticipated revenue has been generated.

A2 **EXTERNAL FUNDING**

The Budget Committee has reduced its reliance on external funding to fund its capital budget. Own resources need to be accumulated before capital projects are embarked on.

B **OPERATING BUDGET 2011/12 TO 2013/14**

The following table is a summary of the operating budget indicating the expenditure component as a percentage of the net expenditure.

B1. **SUMMARY OF OPERATING BUDGET**

Description	Original Budget 2010/11 R '000	% of net Exp.	Adjustments Budgets 2010/11 R'000	% of net Exp.	Draft Budget 2011/12 R'000	% of net Exp.
Remuneration	213,357	24.13	218,374	23.29	243,590	24.45
General Expenses	550,448	62.25	603,116	64.32	628,395	63.07
Administration Cost	153,398		153,398		168,498	
Repairs & Maintenance	60,925	6.89	61,092	6.52	65,113	6.54
Capital Charges	60,489	6.84	55,989	5.97	59,085	5.93
Contributions to Capital	163	0.02	169	0.02	169	0.02
Gross Expenditure	1,038,780		1,092,138		1,164,850	
Less: Charged Out	-154,498		-153,398		-168,498	
Net Expenditure	884,282	100	937,640	100	1,011,452	100
Revenue	-919,134		-974,643		-1,023,336	
Appropriations	34,787		35,775		26,929	
- Surplus/(Deficit)	-65		-129		-55	

B2. TABLE A4 – BUDGETED FINANCIAL PERFORMANCE

Table A4 is one of the tables regulated by the Local Government: Municipal Finance Management Act (Act 56 of 2003): Municipal budget and reporting regulations giving the budgeted financial performance indicating the revenue and expenditure.

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	1										
Revenue By Source											
Property rates	2	89,606	100,329	108,050	122,344	123,724	123,724	123,724	139,499	145,711	154,460
Property rates - penalties & collection charges		1,413	1,567	1,322	1,960	1,960	1,960	1,960	1,435	1,521	1,612
Service charges - electricity revenue	2	183,021	212,534	267,034	336,526	328,526	328,526	328,526	398,479	472,397	566,360
Service charges - water revenue	2	61,229	62,936	72,430	82,415	85,415	85,415	85,415	95,316	95,597	101,327
Service charges - sanitation revenue	2	41,245	44,889	51,395	55,964	57,464	57,464	57,464	62,118	64,588	68,455
Service charges - refuse revenue	2	28,110	33,334	38,464	45,440	45,440	45,440	45,440	48,472	51,211	53,995
Service charges - other		57	10	8	10	10	10	10	10	10	11
Rental of facilities and equipment		2,128	1,857	1,819	1,830	1,795	1,795	1,795	1,800	1,830	1,851
Interest earned - external investments		36,250	29,781	14,673	11,161	12,461	12,461	12,461	5,250	6,270	7,300
Interest earned - outstanding debtors		5,082	5,003	4,127	2,612	2,612	2,612	2,612	3,170	3,242	3,320
Dividends received		—	—	—	—	—	—	—	—	—	—
Fines		4,863	10,167	3,759	11,580	11,980	11,980	11,980	13,253	13,461	13,600
Licences and permits		2,760	2,538	2,762	2,824	2,504	2,504	2,504	2,184	2,285	2,394
Agency services		4,902	4,956	5,120	5,028	5,191	5,191	5,191	5,695	6,197	6,687
Transfers recognised - operational		53,205	78,263	62,597	123,113	171,835	171,835	171,835	140,072	130,296	137,870
Other revenue	2	39,724	54,007	31,415	17,957	17,748	17,748	17,748	13,198	12,632	12,855
Gains on disposal of PPE		326	682	95	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		553,920	642,855	665,070	820,763	868,664	868,664	868,664	929,950	1,007,247	1,132,096
Expenditure By Type											
Employee related costs	2	205,562	179,166	208,137	202,638	207,729	207,729	207,729	230,677	240,323	256,206
Remuneration of councillors		7,966	9,188	9,758	10,719	10,719	10,719	10,719	12,913	13,817	14,784
Debt impairment	3	2,239	6,770	13,946	5,000	5,000	5,000	5,000	11,476	10,300	10,500
Depreciation & asset impairment	2	40,367	60,791	79,913	88,048	92,385	92,385	92,385	92,452	104,805	78,667
Finance charges		27,338	36,066	47,342	60,489	55,989	55,989	55,989	59,085	58,130	54,634
Bulk purchases	2	88,881	119,763	151,841	192,000	192,030	192,030	192,030	249,284	309,925	393,600
Other materials	8	757	435	331	359	355	355	355	352	361	368
Contracted services		32,325	45,227	34,039	67,481	118,134	118,134	118,134	79,341	78,092	82,320
Transfers and grants		33,366	41,324	48,796	63,501	63,536	63,536	63,536	65,194	81,552	86,948
Other expenditure	4, 5	144,941	156,545	159,491	164,892	162,608	162,608	162,608	163,027	161,299	169,070
Loss on disposal of PPE		—	2,345	2,467	—	—	—	—	—	—	—
Total Expenditure		583,742	657,621	756,062	855,127	908,485	908,485	908,485	963,802	1,058,605	1,147,097
Surplus/(Deficit)		(29,822)	(14,766)	(90,992)	(34,364)	(39,821)	(39,821)	(39,821)	(33,851)	(51,357)	(15,001)
Transfers recognised - capital	6	8,289	7,290	95,910	68,048	75,725	75,725	75,725	58,536	46,872	50,075
Contributions recognised - capital		—	—	—	—	—	—	—	—	—	—
Contributed assets		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		(21,533)	(7,476)	4,919	33,684	35,904	35,904	35,904	24,685	(4,485)	35,074
Taxation											
Surplus/(Deficit) after taxation		(21,533)	(7,476)	4,919	33,684	35,904	35,904	35,904	24,685	(4,485)	35,074
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(21,533)	(7,476)	4,919	33,684	35,904	35,904	35,904	24,685	(4,485)	35,074
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(21,533)	(7,476)	4,919	33,684	35,904	35,904	35,904	24,685	(4,485)	35,074

B3. THE FOLLOWING TARIFF INCREASES ARE RECOMMENDED:

B3.1 ASSESSMENT RATES

The Council of the City of George determined, in terms of the Local Government: Municipal Property Rates Act, 2004 (Act no.6 of 2004), the Local Government: Municipal Systems Act, 2000 (Act no.32 of 2000) and the Municipal Finance Management Act, 2003 (Act no.56 of 2003), property rates and services charges in order to balance its 2011/2012 Budget. The property rates and services charges become effective from 1 July 2011.

PROPERTY RATES

PROPERTY TAX ON ALL RESIDENTIAL PROPERTIES IN THE GREATER GEORGE MUNICIPAL AREA are as follows:

The tariff applied to the total valuation : R0,004622

PROPERTY TAX ON ALL BUSINESS / INDUSTRIAL ZONED SITES IN THE GREATER GEORGE MUNICIPAL AREA are as follows:

The tariff applied to the total valuation : R0,005163

THE FOLLOWING EXCLUSIONS / EXEMPTIONS / REBATES ON PROPERTY RATES WILL BE GRANTED

EXCLUSION OF IMPERMISSIBLE RATES

In terms of Section 17 of the Municipal Property Rates Act, 2004 (Act no. 6 of 2004) a Municipality may not levy a rate:

on the first 30% of the market value of the public service infrastructure;

on those parts of a nature reserve, national park or nature reserve within the meaning of the Protected Areas Act;

on the first R15 000.00 of the market value of a property assigned in the valuation or supplementary roll to a category determined by the Municipality:

- (i) for improved and unimproved residential properties;
- (ii) for properties used for multiple purposes;

on a property registered in the name of and used primarily as a place of public worship, including an official residence which is occupied by an office-bearer.

REBATE IN RESPECT OF ZONING

Sites zoned for residential purposes and used for residential purposes only and of which the total valuation is R100 000.00 or less, will automatically be exempt from property rates;

Regarding sites zoned for residential purposes and used for residential purposes only and of which the valuation is R100 001.00 or more no exemption as stipulated in 2.2.1 above will apply. Section 2.1.3 will apply in these circumstances where an impermissible exclusion will be awarded on the first R15 000.00 of the valuation of the property. A rebate of 20 percent on the rates payable will be granted on the balance of the property valuation exceeding the R15 000.00 exclusion.

REBATE IN RESPECT OF INCOME

With regard to paragraph 2.2.2 the following additional rebates, to a maximum of 40 percent, will be granted to persons applying before 30 June 2010:

Ratepayer with an annual income of			Percentage rebate
R0	-	R32 000.00	40%
R32 001.00	-	R38 500.00	30%
R38 501.00	-	R46 000.00	20%
R46 001.00	-	R53 000.00	10%

For the purposes of 2.3 a ratepayer will be defined as follows: "A registered owner of rateable property who inhabits and controls the property and is responsible for the payment of rates on the property";

For the purpose of 2.3 the income of a ratepayer will be determined as the total income of the ratepayer and his/her spouse from all sources, plus income of all resident children from all sources.

REBATE IN RESPECT OF AGRICULTURAL PROPERTIES THAT ARE ZONED AND USED FOR AGRICULTURAL PURPOSES

A rebate of 80% on rates (refer to 1.1) will be granted in respect of properties which are zoned and used for agricultural purposes;

No rebate on rates will be granted to businesses operating on agricultural properties.

REBATE FOR PROPERTY OF THE STATE AND SCHOOLS

A rebate of 20% on rates will be granted to the state and schools based on the tariff applicable in the George Area as outlined in section 1.2 above.

SERVICE CHARGES AND MISCELLANEOUS TARIFFS:

The following tariff increases are suggested:

- Electricity : 20,38%
- Water : 6%
- Rates : 6%
- Refuse : 6%
- Sewerage : 6%
- Other (miscellaneous) : 6 %

TARIFF CHANGES SUGGESTED 2011/12

VOORGESTELDE VERANDERINGE WATERTARIEWE: 2011/12

Bloktarief 1402 - Watertarief vir Industrië/besighede

Dit word voorgestel dat die opskrif verander word en dat die woorde "**met 'n verbruik <100/dag**" weggelaat word.

Dit word voorgestel dat Tarief 1.3 – Watertarief vir Karwasserye en Droogskoonmakerye en industrië met 'n verbruik van >100kl per dag (Tariefkode1404) word uitgefasseer.

MOTIVERING

Met die verklaring van die Munisipaliteit as 'n rampsgebied en die implementering van die nood watertariewe, het verskeie besighede en industrië versoek om op die voordeliger tarief geplaas te word. Die argumente wat aangevoer word is dat hulle besighede gebruik water as basis produk en behoort dus vrygestel te word van die betalings van die normale bloktariewe.

Building Plan Fees – Tariff 2 - 1% Service fee on building plans is discontinued.

Electricity Tariffs – The proposed introduction of the Inclining Block Tariffs for domestic / residential customers that NERSA proposed to be implemented by Municipalities as from 01 July 2011 has been shifted to the 2012/13 financial year.

Town Planning – The tariffs for outdoor advertising has been changed in accordance with the said by-law.

Sewerage Tariffs – Tariff 3.5: Sewerage Connections

3.5.1 Sewerage connection: R3 063.00 has been replaced by:
“Actual cost plus 10%”

Capital Contributions

Electricity	4%
Public Open Space	6%
Water	5%
Sewerage	5%

Refuse Removal Tariffs – The following changes are suggested:

Currently: “If bulk containers are used, 50% of the applicable tariff per business will be charged”

50% changes to 75% for tariffs 1.1 tot 1.5

Community Services

Safety and Security

Emergency Services – Fires: A range of new tariffs are suggested to off set costs associated with the service required.

Omgewingsake & Sport

‘n Nuwe tarief word voorgestel waar die strand meer as tien (10) keer per jaar gebruik/huur word, word ‘n bedrag van R 5 000.00 plus BTW en ‘n deposito van R1 500 voorgestel.

Finance – Tariffs

Subsidy for Indigent Consumers

Level of Income 0-R 4000: Subsidy to a maximum of R400 per month on Indigent account.

Rates Clearance Certificates

Administration Fee	Electronic RCC	R131.58
Administration Fee	Manual RCC	R157.89
Current Fee		R66.00

Bouplanfooi – 0% verhoging

The draft tariff list and further relevant information are available for perusal at the office of the Chief Financial Officer, First Floor, Civic Centre, municipal offices, libraries in Conville, Pacaltsdorp, Blanco and Thembaletu as well as the Post Office Hoekwil, at the Wilderness Tourism Buro and at the Police Station in Herold during normal office hours.

BUDGET DOCUMENTATION

The Local Government: Municipal Finance Management Act (Act 56 of 2003): Municipal budget and reporting regulations regulates the format of the budget documentation.

The relevant documentation (budget tables) will be forwarded to National Treasury and be included in the final budget documentation pack.

REVIEW OF BUDGET RELATED POLICIES

Section 17 (3) (e) of the Municipal Finance Management Act, No 56 of 2003 prescribes that the Municipality must review the budget related policies annually. Herewith follows suggested changes to Council's budget related policies.

The budget committee considered amendments to all the various policies and only minor amendments were made.

KLIËNTE DIENS EN KREDIETBEHEER BELEID

- P34 - Byvoeging - Slegs bank gewaarborgde tjeks, bankkaarte en kontant word vir die aankope van voorafbetaalde elektrisiteit aanvaar.
- P26 - Byvoeging - By die regstelling van rekeninge ten opsigte van waterlekkasies, kan die rekening reggestel word op verbruike wat drie (3) maande voor die lekkasie plaasgevind het of indien sodanige rekords nie beskikbaar is nie moet die waterverbruik vir drie maande na herstelwerk gemonitor word.

INDIGENT POLICY 2011/2012

The Indigent Policy has been reviewed. The numbering has been corrected and the following have been inserted or deleted.

Insert

Definition

“household income” the income accruing to all owners/tenants of the household permanently residing at the address.

2. (1) In order to qualify for indigent support the following criteria must be met:
- (a) The verified gross monthly income of all household occupants **over 18 years of age** may not exceed in the amount approved by Council from time to time during the budget process.
 - (c) The applicant must be the full-time occupant and may not own any other property.
 - (f) the usage of the residential property must be mainly private residential.

Delete

3.10 Marginal cases will be referred to a special committee for approval after a social assessment has been done.

Insert

(l) Health care facilities where health care is provided:

(i) To qualify for the equitable subsidy, the health care provider must apply for the subsidy individually for every person who received a pension to a maximum amount as determined by Council during the budget process.

(ii) The subsidy will be credited on a monthly basis on the municipal account of the health provider.

(15) Where electricity meter problems occur at indigent households, such problems can be repaired at Councils expense and the cost thereof recovered from the equitable share grant. The above recovery can only take place while sufficient equitable share fund are available.

(16) Health care facilities where health care is provided

(i) R100 per month per tenant with an income determined by Council during the budget process.

INDIGENT RELIEF: RATES, SEWER AND REFUSE REMOVAL

4. (1) All residential properties that have a municipal valuation of R100 000 or less, may receive an indigent grant towards the payment of their rates and property services account, excluding electricity; and

(i) indigents who meet the criteria as described in item 3 and whose residential properties have a municipal valuation of more than R100 000 will also receive an indigent grant as per sub-item (1) above, towards the payment of their rates and services account in connection with the property but this excludes electricity services.

(2) The indigent grant referred to in sub-item (1), may not be converted to cash, set-off against any other account nor may it be refunded in terms of this policy, except as provided for in sub-item (1) (i)

(3) All amounts mentioned in sub-items (1) to (2) shall be as determined by Council from time to time.

Tarief Beleid

P23 - Weglating - Industriële en Kommersiële verbruikers met 'n verbruik van meer as 100kl per dag.

P24 - Verandering - Stygende bloktariewe word gebruik.

- P24 - Byvoeging - Noodtariewe sal inwerking tree met inagneming van die vlak van die dam soos van tyd tot tyd deur die Raad bepaal word.
- P32 - Weglating - Privaatstorting op 'n wegdoening perseel sal toegelaat word nadat 'n tarief gebaseer op die geskatte volume van die storting betaal is.
- P35 - Weglating - 50% of so na as moontlik aan 50% van die koste

BELASTING BELEID

- P2 - Verander na - Rente word gehef teen prima koers.
- P32 - Weglating - Munisipale eiendomme : Openbare Dienste Infrastruktuur 100

E RECOMMENDATION

That the following draft resolutions in terms of sections 16(2) and 17(3) of the MFMA be noted for final approval in April 2011. **[FD]**

AANBEVELING

Dat daar kennis geneem word van die volgende konsep besluite in terme van afdelings 16(2) en 17(3) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 vir goedkeuring in April 2011. **[FD]**

DRAFT RESOLUTIONS

- (a) that the following draft policies be approved:
- (i) Customer care, credit control and debt collection;
 - (ii) Indigent policy;
 - (iii) Tariff policy;
 - (iv) Property rates policy
 - (v) Cash Management and Investment Policy
 - (vi) SCM Policy
 - (vii) Asset Management Policy
- (b) that the draft annual budget for the financial year 2011/12 and indicative outer years 2012/13 and 2013/14 be approved as set-out:
- (i) Capital expenditure by project as contained in annexure "B" to the agenda;

- (ii) Capital funding by source as contained in annexure "B" to the agenda;
 - (iii) Operating revenue by source as contained in Table A4 of the report;
 - (iv) Operating expenditure by type as contained in Table A4 of the report;
- (c) that property rates as reflected in the report be imposed for the budget year 2011/12;
- (d) that tariffs and services charges as reflected in the formal tariff list be approved for the budget year 2011/12;
- (e) that the draft Service Delivery and Budget Implementation Plan (SDBIP) be approved for the budget year 2011/12 as contained in annexure "C" to the agenda;
- (f) that the capital funding, both internal and external funding, be secured prior to the commencement of any new capital project;
- (g) that the draft annual budget documentation for 2011/12 – 2013/14 as outlined in the budget regulations be submitted to National and Provincial Treasury.

KONSEPBESLUIT

- (a) dat die volgende konsepbeleide goedgekeur word:
 - i) Kliënte diens-, kredietbeheer-, en skuldinvorderingsbeleid;
 - ii) Deernisbeleid;
 - iii) Tariefbeleid;
 - iv) Eiendomsbelastingbeleid
 - v) Kontantbestuur- en Beleggingsbeleid
 - vi) Voorsieningskanaalbestuursbeleid
 - vii) Batebestuursbeleid.
- (b) dat die konsep begroting van die munisipaliteit vir die jaar 2011/12 asook die daaropvolgende twee jare 2012/13 en 2013/14, soos uiteengesit goedgekeur word:
 - (i) Kapitaaluitgawe per projek soos vervat in aanhangsel "B" tot die agenda;
 - (ii) Kapitaalbefondsing per finansieringsbron soos vervat in aanhangsel "B" tot die agenda;
 - (iii) Bedryfsinkomste per finansieringsbron soos vervat in Tabel A4 van die verslag;
 - (iv) Bedryfsuitgawe per tipe uitgawe soos vervat in Tabel A4 van die verslag;

- (c) dat eiendomsbelasting soos gereflekteer in die verslag vir die 2011/12 begrotingsjaar goedgekeur word;
- (d) dat tariewe en heffings soos uiteengesit in die formele tarieflyste vir die 2011/12 begrotingsjaar goedgekeur word;
- (e) dat die konsep Dienslewerings- en Begrotingsimplementeringsplan soos vervat in aanhangsel "C" tot die agenda vir die 2011/12 begrotingsjaar goedgekeur word;
- (f) dat 'n kontrole proses in werking gestel word om die beskikbaarheid van kapitaalfondse, interne sowel as eksterne fondse, te verseker alvorens nuwe kapitaalprojekte 'n aanvang neem;
- (g) dat die konsep begrotingdokumentasie vir die jaar 2011/12 – 2013/14, soos uiteengesit in die begrotingsregulasies, aan Nasionale Tesourie en Provinsiale Tesourie gestuur word.

IZIGQIBO EZIYILIWEYO:

- (a) ukuba le migaqo – nkqubo ilandelayo iphunyezwe:
 - (i) ukhathalelo lwabantu, ulawulo-matyala Kunye noqokelelo matyala;
 - (ii) umgaqo-nkqubo wabangathathi-ntweni;
 - (iii) umgaqo-nkqubo woluhlu lwerhafu;
 - (v) umgaqo-nkqubo weerhafu zezindlu;
 - (vi) Umgaqo-nkqubo wolawulo nokuzalisa lwe mali
 - (vii) Umgaqo-nkqubo Wolawulo Lomxokelelwano Wokunikezela;
 - (viii) Umgaqo-nkqubo wolawulo lwezinto zikaMasipala;
- (b) kukuba uhlahlo-lwabiwo-mali oluyiliweyo lukamasipala lukanyaka mali ka-2011/12, kunye nolungumqondiso weminyaka emibini engaphandle ka- 2012/13 no 2013/14 luphunyezwe njengoko lubonisiwe:
 - (i) Inkcitho-mali eyinkunzi ngokwe projekthi Isihlomelo "B" iditywaniswe kwiajenda;
 - (ii) Inkxaso-mali yenkunzi ngokwamacandelo njengoko kubonisiswe kwisihlomelo "B" iditywaniswe kwiajenda;
 - (iii) Ingeniso-mali yentsebenzo ngokwamacandelo njengoko kubonisiswe kwisalathiso A4 sengxelo;
 - (iv) Inkcitho-mali yokusebenza ngokwamasebe njengoko kubonisiswe kwisalathiso A4 sengxelo;
- (c) kukuba iirhafu zezindlu njengoko kubonakalisiwe kwingxelo, zilandelwe kuhlalo-lwabiwo mali lonyaka 2011/12;
- (d) kukuba uluhlu lweerhafu no lweenkonzo lubonakaliswe kuluhlu lwerhafu olusemthethweni kwaye luphunyezwe kuhlalo-lwabiwo mali lonyaka 2011/12;

- (e) kukuba ISDBIP eyiliweyo iphunyezwe kuhlahlo-lwabiwo-mali lonyaka 2011/12;
- (f) kukuba kwaziswe indlela yokuqinisekisa ukufumaneka kwenkxaso-mali eyinkunzi, inkxaso-mali yangaphakathi neyangaphandle, phambi kokuqala kwayo nayiphina iprojekthi eyinkunzi;
- (g) kukuba uhlahlo- lwabiwo- mali oluyiliweyo lukamasipala lukanyaka mali ka- 2011/12 kunye nolungumqondiso weminyaka emibini engaphandle ka-2012/13 no-2013/14 njengoko lubonisiwe kuxwebhu olusemthethweni lungeniswe kwiSebe lezeMali leSizwe.